



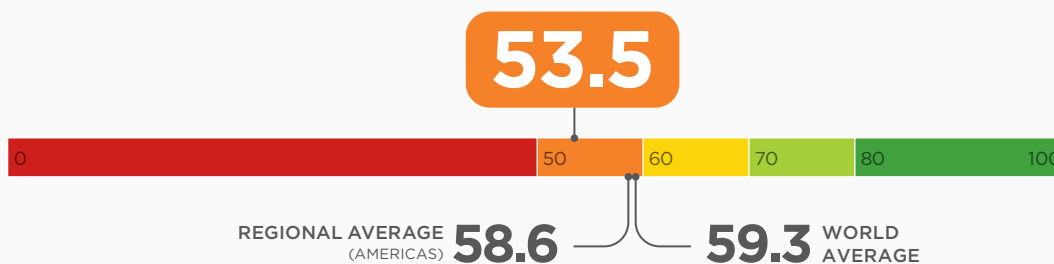
BRAZIL

WORLD RANK:	REGIONAL RANK:
127	26
ECONOMIC FREEDOM STATUS: MOSTLY UNFREE	

Brazil's economic freedom score is 53.5, making its economy the 127th freest in the 2023 *Index*. Its score is essentially unchanged from last year. Brazil is ranked 26th among 32 countries in the Americas region, and its overall score is below the regional and world averages.

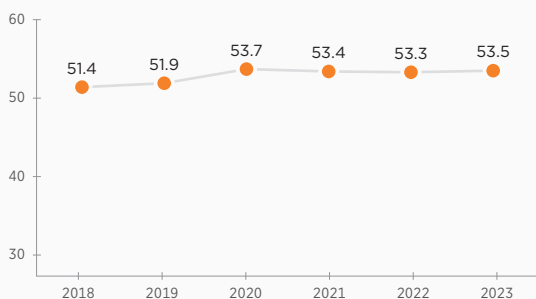
Stronger foundations of economic freedom remain critical to ensuring a greater economic future. Brazil's corruption and property rights scores are relatively low, and its judicial system remains vulnerable to political influence. The state's presence in many areas of the economy remains considerable, undercutting development of a more vibrant private sector.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +2.1

RECENT FREEDOM TREND



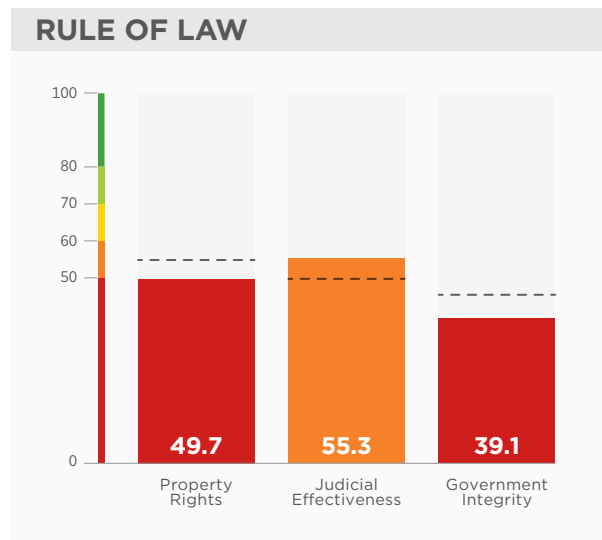
QUICK FACTS

POPULATION: 214.0 million	UNEMPLOYMENT: 13.9%
GDP (PPP): \$3.4 trillion 4.6% growth in 2021 5-year compound annual growth 1.0%	INFLATION (CPI): 8.3%
FDI INFLOW: \$50.4 billion	PUBLIC DEBT: 93.0% of GDP

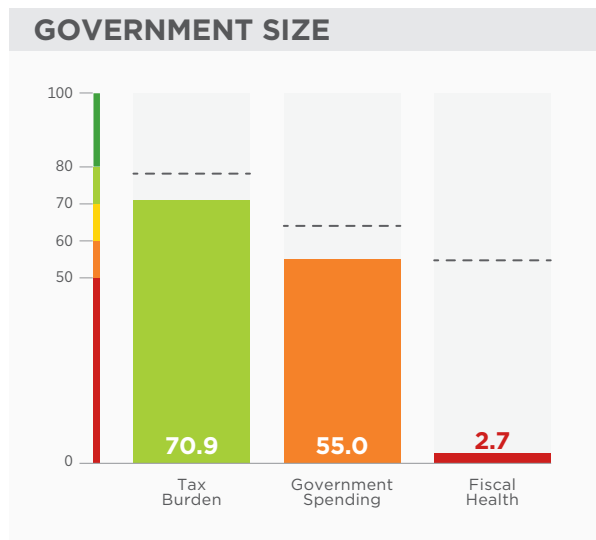
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: Brazil is the world's fifth-largest country and Latin America's largest economy. Dominated geographically by the Amazon River and the world's largest rain forest, it has rich mineral reserves. In October, former President Luiz Inacio "Lula" Da Silva of the leftist Worker's Party (PT) narrowly defeated incumbent President Jair Bolsonaro. It is expected that Lula will reverse course on Bolsonaro's privatization reforms, including plans to privatize the state oil company, while maintaining trade benefits to the agricultural sector. Lula's leftist allies and traditional centrist parties will likely form a congressional majority, although the center-right opposition holds a large plurality.

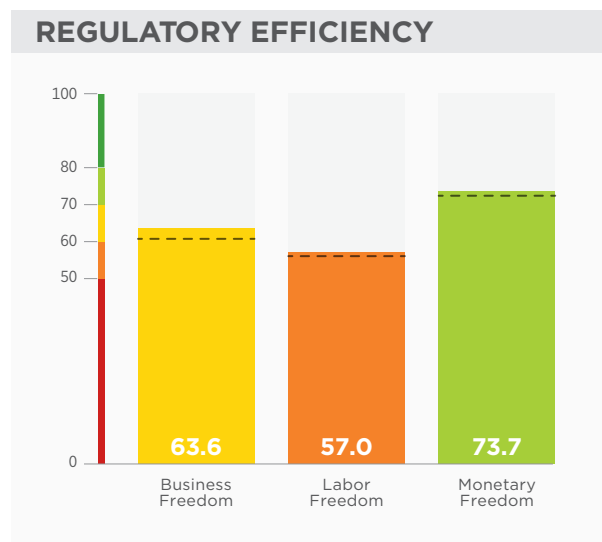
12 ECONOMIC FREEDOMS | BRAZIL



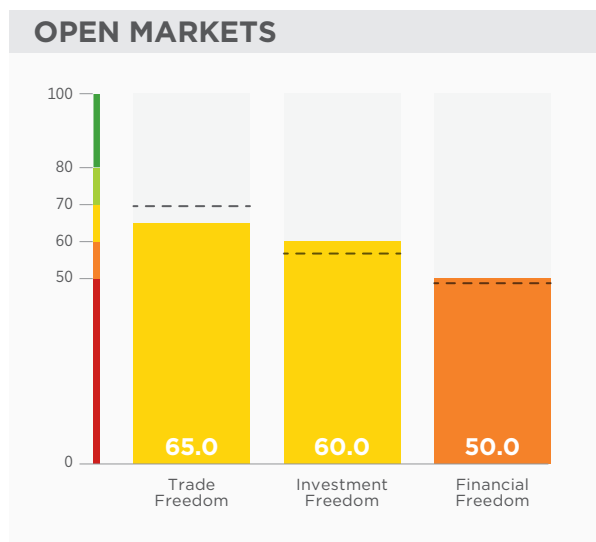
The overall rule of law is weak in Brazil. The country's property rights score is below the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 27.5 percent and 34 percent. The tax burden equals 31.6 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38.7 percent and -7.9 percent of GDP. Public debt equals 93.0 percent of GDP.



Despite some progress, the organization of new investment and production remains a cumbersome and bureaucratic process. Launching or closing a business is both costly and time-consuming. Stifling labor regulations continue to undermine employment and productivity growth. The most recent available inflation rate is 8.3 percent.



The trade-weighted average tariff rate is 10.0 percent, and more than 600 nontariff measures are in force. Foreign investment faces bureaucratic hurdles. The financial sector is competitive, but state involvement remains considerable, and public banks account for over 50 percent of loans to the private sector.